

VII. SAMPLE LOAN ENROLLMENT APPLICATIONS, CERTIFICATIONS & FORMS

Samples of forms required by CalCAP are provided in this Chapter for quick reference. Lenders should refer to the CalCAP CS website to download the most current forms:

 <http://www.treasurer.ca.gov/cpcf/calcap/collateral/index.asp>

1. CalCAP Collateral Support Request

COLLATERAL SUPPORT REQUEST

California Pollution Control Financing Authority • 915 Capitol Mall Room 457 • Sacramento, CA 95814 • CalCAP@treasurer.ca.gov • 916.654.5610

BORROWER INFORMATION		
Name:		
DBA:		
Address monies will be used:		
City:	County:	Zip:
Type of Business/Activities:		
Year business incorporated or opened:		
Annual Revenue Last Fiscal Year:	Average Annual Revenue Last 3 years:	
Number of Employees :	Number of Full Time Equivalents:	
Jobs Created:	Jobs Retained:	
Is the business located in a Severely Affected Community (SAC)? <input type="checkbox"/> Yes <input type="checkbox"/> No		
NAICS Code:	Census Tract #:	
Purpose of Loan:		
Is business minority owned? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decline to Answer		
Is business woman owned? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decline to Answer		
Is business veteran owned? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decline to Answer		

Include with this request a Risk Assessment of the borrower. The Risk Assessment includes: the value of the collateral based on the industry standard of measurement (eg. appraisal); the lender's valuation of the collateral; borrower's risk rating; summary of relationship and history of the business; and the lender's cash flow and financial analysis of the borrower.

For CalCAP Collateral Support Use ONLY	CSP #
	Application #
	Date Received

LENDER INFORMATION
Participating Lender:
Lender ID #:
Contact Name:
Phone Number:
Contact Email:

COLLATERAL SUPPORT		
Is the loan enrolled in any other government guarantee program?		
<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, name the program:		
Lender Loan Number (if assigned):		
Proposed Loan Amount:	Proposed Term of Loan:	mo.
Loan Category:		
<input type="checkbox"/> Envr. Imp./Energy Efficiency Loan <input type="checkbox"/> Bridge Loan		
<input type="checkbox"/> Other Small Business Loan		
Support Requested (up to 40% of the loan amount)	\$	%

Authorized Lender Signature _____ Date _____

Revised 11/7/2012

2. CalCAP Collateral Support Lender Certification

COLLATERAL SUPPORT LENDER CERTIFICATION

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By enrolling this loan the Participating Financial Institution certifies, based in part on information provided by the Borrower (please initial each item):

*all capitalized terms are defined in 4 CCR §8070 of the California Code of Regulations.

The loan is a Qualified Loan as defined in 4 CCR §8070(s) of the California Code of Regulations.

The business receiving the Qualified Loan is a Qualified Business, as defined in 4 CCR §8070(r) or 4 CCR §8078.2(c) with 750 or fewer employees.

The Qualified Loan is for a business activity that has its Primary Economic Effect in California as defined in 4 CCR §8070(o) of the CPCFA Regulations.

The Participating Financial Institution will provide information from financial records of the Borrower upon request of the Executive Director of the CPCFA, and the Participating Financial Institution has obtained the consent of the Borrower to such disclosure.

The Participating Financial Institution has obtained a written representation from the Borrower that the Borrower has no legal, beneficial or equitable, interest in the Fees or the support.

The loan does not exceed \$20,000,000.

The Participating Financial Institution has obtained a written representation from the Borrower that it has secured or made application for all applicable licenses or permits needed to conduct its business.

The Participating Financial Institution has not, and will not, enroll the same loan or portion thereof in any other government programs substantially similar to the Program.

The Borrower has received the CPCFA/CalCAP Privacy Notice.

For participation in the Federal fund, the Participating Financial Institution must obtain the following assurances from the Borrower per 4 CCR §8078.2 of the California Code of Regulations:

The loan is used for a business purpose allowed by the U.S. Treasury.

The loan will not be used for purposes prohibited by the U.S. Treasury.

The loan will not be used to finance ineligible businesses prohibited by the U.S. Treasury.

For participation in the Federal fund, the Lender hereby certifies to the State the following:

The loan has not been made in order to place under the protection of the state program prior debt that is not covered under the state program and that is or was owed by the borrower to the lender or to an affiliate of the lender.

The loan is not a refinancing of a loan previously made to that borrower by the lender or an affiliate of the lender.

The lender is not attempting to enroll the unguaranteed portions of SBA-guaranteed loans.

As required by Section 3011(c)(2) of the Small Business Jobs Act of 2010, the private entity hereby certifies to the State that the Principals of the private entity have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)). For the purposes of this Certification, Principal means the following: if a sole proprietorship, the proprietor; if a partnership, each managing partner and each partner who is a natural person and holds a 20% or more ownership interest in the partnership; and if a corporation, limited liability company, association or a development company, each director, each of the five most highly compensated executives or officers of the entity, and each natural person who is a direct or indirect holder of 20% or more of the ownership stock or stock equivalent of the entity.

The Participating Financial Institution acknowledges that its lending activities are subject to safety and soundness standards as set forth in any applicable federal banking regulations.

Lender Loan #:

Borrower Name:

Authorized Lender

Signature

Date

Revised 11/7/2012

COLLATERAL SUPPORT BORROWER CERTIFICATION

California Pollution Control Financing Authority • 915 Capitol Mall Room 457 • Sacramento, CA 95814 • CalCAP@treasurer.ca.gov • 916.654.5610

Your loan is being enrolled in the CalCAP Collateral Support Program. You are the "Borrower". By signing this document below, you certify to the following:

Borrower is a small business concern as defined in 4 CCR §8070(r) of the California Code of Regulations which state:

(r) "Qualified Business" and "Small Business Concern" means a business as set forth in Health and Safety Code Section 44559.1 subdivision (i) and (m), that is not dominant in its field of operation, and that together with affiliates, has 750 or fewer employees. * (i) "Qualified business" means a small business concern that meets both of the following criteria, regardless of whether the small business concern has operations that affect the environment:

- (1) It is a corporation, partnership, cooperative, or other entity, whether that entity is a nonprofit entity or an entity established for profit that is authorized to conduct business in the state.
- (2) It has its primary business location within the boundaries of the state.

(m) "Small business concern" has the same meaning as in Section 632 of Title 15 of the United States Code, or as otherwise provided in regulations of the authority.

"Primary business location in California" as defined in 4 CCR §8070(n) of the California Code of Regulations means that a business will be deemed to be located in California if either:

- (1) a majority of the employees of the business are located in California; or
- (2) the Executive Director determines that the Primary business location is in California by finding that the average of the "Payroll Factor" as defined in Revenue and Taxation Code Section 25132, the "Income Factor" as defined in Revenue and Taxation Code Section 25128, and the "Sales Factor" as defined in Revenue and Taxation Code Section 25134 is greater than 50 percent.

Borrower obtained a loan that is for a business activity that has its primary economic effect in California as defined in 4 CCR §8070(o) of the California Code of Regulations which state:

(o) "Primary economic effect in California" means, as applied to a business activity, that either of the following conditions exists: At least 51 percent of the total revenues of the business activity are generated in California; or At least 51 percent of the total jobs of the business activity are created or retained in California.

Borrower agrees to allow the participating financial institution to provide information from financial records of the Borrower upon request of the Executive Director of the CPCFA.

Borrower has no legal, beneficial or equitable, interest in the support or fees.

The maximum loan amount is \$20,000,000 per Borrower with a maximum Collateral Support contribution of \$5,000,000.

Borrower has secured or made application for all applicable licenses or permits needed to conduct its business.

Borrower has received the CPCFA/CalCAP Privacy Notice.

Whenever your loan is related to Federal Funds, the following Borrower assurances apply:

The loan proceeds will be used for a "business purpose." Business purpose includes, but is not limited to, start-up costs, working capital, business procurement, franchise fees, equipment, inventory, as well as the purchase, construction renovation or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. The definition of business purpose excludes: activities that relate to acquiring or holding passive investments, such as commercial real estate ownership and the purchase of securities; and lobbying activities, as defined in Section 3(7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended.

The loan proceeds will not be used to:

- Repay a delinquent federal or state income taxes unless the Borrower has a payment plan in place with the relevant taxing authority.
- Repay taxes held in trust or escrow, e.g. payroll or sales taxes.
- Reimburse funds owed to any owner, including any equity injection or injection of capital for the business' continuance.
- Purchase any portion of the ownership interest of any owner of the business.

Borrower is not:

- An executive officer, director, or principal shareholder of the lender.
- A member of the immediate family of an executive officer, director, or principal shareholder of the lenders.
- A related interest of an executive officer, director, principal shareholder, or member of the immediate family.

For the purposes of these three restrictions, the terms "executive officer", "director", "principal shareholder", "immediate family", and "related interest" refer to the same relationship to a lender as the relationship described in part 215 of title 12 of the Code of Federal Regulations, or any successor to such part.

The borrower is not:

A business engaged in speculative activities that develop profits from fluctuations in price rather than through normal course of trade, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business.

A business that earns more than half of its annual net revenue from lending activities; unless the business is a non-bank or non-bank holding company Community Development Financial Institutions.

A business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants.

A business engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted. (Included in these activities is the production, servicing, or distribution of otherwise legal products that are to be used in connection with an illegal activity, such as selling drug paraphernalia or operating a motel that knowingly permits illegal prostitution).

A business engaged in gambling enterprises, unless the business earns less than 33% of its annual net revenue from lottery sales.

As required by Section 3011(c)(2) of the Small Business Jobs Act of 2010, the private entity hereby certifies to the participating State that the Principals of the private entity have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)). For the purposes of this Certification, Principal means the following: if a sole proprietorship, the proprietor; if a partnership, each managing partner and each partner who is a natural person and holds a 20% or more ownership interest in the partnership; and if a corporation, limited liability company, association or a development company, each director, each of the five most highly compensated executives or officers of the entity, and each natural person who is a direct or indirect holder of 20% or more of the ownership stock or stock equivalent of the entity.

Business Name

(Please Print)

Lender Loan #

Individual Name

(Please Print)

Individual Title

(as it pertains to
the business)

Signature of the

above Individual

Date

STATE OF CALIFORNIA
CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY
915 Capitol Mall, Room 457
Sacramento, CA 95814
Telephone: (916) 654-5610
Telecopier: (916) 657-4821



Privacy Notice

The California Information Practices Act of 1977 (Civil Code §1798.17) requires that this notice be provided when a governmental agency collects the personal information of individuals. Name, address, telephone number, gender, race, business and financial information related to this loan is requested by the California Capital Access Program (CalCAP) of the California Pollution Control Financing Authority for the purposes of statistical reporting on loan activities and assessing compliance with CalCAP program requirements. It is mandatory for the lender to provide this information to CalCAP. Failure to provide the information may result in rejection of the application.

The information may be disclosed under the following circumstances: (1) to consultants, auditors or contractors retained by the California Pollution Control Financing Authority where disclosure is required to fulfill CalCAP program requirements; (2) to another governmental entity where required by state or federal law; or (3) as otherwise required by law.

The agency official responsible for the maintenance of the personal information is the CalCAP Program Manager, at 915 Capitol Mall, Suite 457, Sacramento, CA 95814, Tel: (916) 654-5610. California Code of Regulations §8072 authorizes the solicitation and maintenance of the personal information requested. Borrowers have the right to access their information upon request by contacting the CalCAP Program Manager.

Copy to Borrower: DO NOT Submit to CalCAP

Revised April 6, 2012

5. CalCAP Collateral Support Approval

COLLATERAL SUPPORT APPROVAL

California Pollution Control Financing Authority • 915 Capitol Mall Room 457 • Sacramento, CA 95814 • CalCAP@treasurer.ca.gov • 916.654.5610

Collateral Support Request Information	Application #:		Lending Institution:		
	Borrower:		DBA:		
CPCFA USE ONLY PROPOSED SUPPORT AND FEES					
General Support	\$	%	Additional Parameters: This is a conditional offer subject to CalCAP CS approval of the final loan information provided by the lender.		
SAC Support	\$	%			
Total Support	\$	%			
Fee Due at Loan Closing	\$	%			
Term of Support	months				
First Review		Date	Second Review		Date
Executive Director's Approval of Proposal				Date	
<p align="center">See attached instruction for opening the Collateral Support Loan Loss Reserve Account.</p> <p align="center">*This commitment can be called upon for 90 business days after issuance. Date of issuance: _____.</p>					
FINAL LOAN INFORMATION					
Lender Loan #:			Type of Loan: <input type="checkbox"/> Term Loan <input type="checkbox"/> Line of Credit		
Final Loan Amount:		Date of Loan:		Maturity Date:	
Interest rate: % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable If, variable: Start Rate: Indication: Cap:					
Loan Category: <input type="checkbox"/> Envr. Imp./Energy Efficiency Loan <input type="checkbox"/> Bridge Loan <input type="checkbox"/> Other Small Business Loan					
Collateral Support Loan Loss Reserve Account #:					
Include proof of fee deposit, borrower and lender certifications, and wiring instructions with submission of this document.					
The lender certifies that the given information is true and correct.					
CPCFA USE ONLY			Date Received:		
FINAL SUPPORT INFORMATION					
General Support	\$	%	Annual Minimum Required General Recapture	\$	
SAC Support	\$	%	Annual Minimum SAC Recapture	\$	
Total Support	\$	%	Annual Fee	%	
Fee Due at Loan Closing	\$	%	Term of Support	months	
CSP #:			Additional Parameters:		
First Review		Date	Second Review		Date
Executive Director's Approval				Date	

Revised 11/7/2012

6. CalCAP Collateral Support Default Notification

COLLATERAL SUPPORT DEFAULT NOTIFICATION

California Pollution Control Financing Authority • 915 Capitol Mall Room 457 • Sacramento, CA 95814 • CalCAP@treasurer.ca.gov • 916.654.5610

CPCFA USE ONLY

Date Received:

LENDER INFORMATION		BORROWER INFORMATION	
Participating Lender:	Lender ID #:	Name:	
Name:	Phone Number:	DBA:	
Email:		CSP #:	

LOAN INFORMATION	
Lender Loan #:	Date of Loan:
Original Principal/Loan Amount :	Original Collateral Support Amount (\$):
Principal Balance at Default:	Date of Default:

The lender certifies that the given information is true and correct.

Authorized Lender

Signature

Date

*** To be submitted upon loan default, or within 30 calendar days after the maturity of the support (of a defaulted loan), in order to freeze further reductions from the support account and additional fees.**

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7. CalCAP Collateral Support Claim Application

COLLATERAL SUPPORT CLAIM APPLICATION

California Pollution Control Financing Authority • 915 Capitol Mall Room 457 • Sacramento, CA 95814 • CalCAP@treasurer.ca.gov • 916.654.5610

CPCFA USE ONLY

Date Received:

LENDER INFORMATION		BORROWER INFORMATION	
Participating Lender:	Lender ID#:	Name:	
Contact Name:	Phone Number:	DBA:	
Contact Email:		CSP #:	

LOAN INFORMATION	
Lender Loan #:	Date of Loan:
Original Principal/Loan Amount:	Original Collateral Support Amount:
Charge-Off Amount:	Date of Charge-Off:

CLAIM INFORMATION	
Amount Recovered From Liquidation:	Date of Final Collateral Liquidation:
Outstanding Principal: \$	

The lender certifies that the given information is true and correct.

Authorized Lender

Signature

Date

CPCFA USE ONLY			
* If the loan has yet to experience an Annual Review since the submission of the default notification, all information shall be based on the date of default.			
Total Amount of Claim : \$			
Total Collateral Support Available: \$			
Interest Earned Since Last Review in CS Loan Loss Reserve Account to be returned to CPCFA: \$			
Total amount to be paid on Claim from CS Loan Loss Reserve Account: \$			
Total Unused Support to be Returned to CPCFA:			
First Review	Date	Second Review	Date
Executive Director's Approval			Date

Revised 11/7/2012